

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

**Adjudication Reference:** WAT-Xx97

**Date of Decision:** 07/04/2021

#### Party Details

**Customer:** The Customer

**Company:** X Company

#### Complaint

X Company 2 ("the Wholesaler") installed a meter at the customer's business premises; however, the customer's water supply is shared so he was charged for the water used by other occupants of the building as well as his business. The meter has been removed and the customer's charges are now based on rateable value ("RV") again, however, he is paying more than he was paying for metered charges on the shared supply as the RV is not reflective of the size of his premises. The customer wants the company to recalculate his bills from when he moved into the property based on an assessed volume charge, refund the overpayments, and put him on assessed volume charges going forward. The customer also requests £1,800.00 in compensation for distress and inconvenience.

#### Response

The Wholesaler installed a meter at the customer's property, however, the property is on a shared supply so the meter recorded water used by other residents in the building as well as the customer's business. The private pipework arrangements are the landlord's responsibility, but the landlord refused to change the pipework so the meter was removed and the customer was put back on unmeasured charges based on RV. The Wholesaler will not offer assessed volume charges to the customer because his property can be metered. Therefore, the company cannot refund the customer's charges or change the customer's future tariff, and responsibility to pay compensation for distress and inconvenience is denied.

The company has not made an offer of settlement.

## Findings

The Wholesaler, not the company, is responsible for assessing the customer's eligibility for a meter and assessed charges, and the company is responsible for applying any authorised charges to the customer's account. As the Wholesaler is not a party in this case, I am unable to make a finding regarding the Wholesaler's decision not to grant the customer assessed volume charges. Therefore, the customer's claim for a refund of charges, assessed volume charges in the future, and compensation for distress and inconvenience does not succeed.

## Outcome

The company does not need to take any further action.

The customer must reply by 05/05/2021 to accept or reject this decision.

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Date of Decision: 07/04/2021

## Case Outline

### **The customer's complaint is that:**

1. • His business premises are used on a part time basis and his water bills were expensive so, sometime before March 2018, he enquired about the possibility of having a meter installed; however, he got no reply from the company. • On 13 March 2018, he complained that he had not received a reply and, on 27 March 2018, the company responded and said that a meter survey would be done by the Wholesaler to see whether it would be possible to install a meter. After some time, the Wholesaler visited the property and, rather than carry out a survey, it installed a meter, even though he mentioned that there may be a shared supply. • To check whether he was on a shared supply, he took meter readings every time he left the premises and every time he returned; the results ruled out a leak because the meter did not move all the time, but showed that the supply was shared with at least some of the four residential flats in the building as the meter reading increased when the premises was closed. • On 22 July 2018, he sent an email to the company saying that the meter had been installed by the Wholesaler even though he thought a survey would be carried out first, and that he thought there was a shared water supply so he was now paying for water used by the other residents of the building as well as his business. On 3 August, the company replied and said that this would be classed as a third party dispute and he should come to an agreement with the other users of the shared supply. • He requested further information and on 17 September 2018 the company sent a reply asking him to check his supply for leaks, even though he had already done this and provided the results to the company. He replied and asked the company to reduce his charges or remove the meter but, on 2 October 2018, the company responded and refused his request. • On 2 October 2018 and 14 November 2018, he sent further emails to the company and, on 20 November 2018, he got another negative response to his request for reduced charges or the removal of the meter. • He referred his complaint to CCW, but both the company and the Wholesaler were reluctant to do anything about the situation and said that the pipework should be amended so the supply could be split. However, his landlord refused to carry out the required work.
  - The Wholesaler assessed the premises and established that the supply is shared by his premises and at least some of the flats within the building, and he continued to ask for an assessed volume charge or charge based on RV, whichever was the most beneficial.
  - The meter was finally removed in July 2020 and the charges

have been returned to RV, but the charges are now higher than the metered charges for the whole building; approximately £1,000.00 rather than £800.00 per year. • The company's Scheme of Charges states, "Where a meter cannot be installed - and you currently pay unmeasured charges - you can choose to stay on unmeasured charges, or you may be able to choose to pay assessed volume charges." It goes on to say, "If the water undertaker considers that it is not reasonably practicable, or it would involve unreasonable expense, they may not install a meter. In such cases, including those where a shared meter agreement is not possible or appropriate, the occupier may opt to pay the appropriate assessed volume charges detailed in section B4 instead of a charge based on the rateable value of the premises." • However, the company refused to put his account on assessed volume charges and said he could contact the Valuation Office Agency to check whether his RV was correct. The Valuation Office Agency said that it could not help and (redacted) Council Business Services said the same. • The company offered £100.00 and £20.00 as goodwill payments for inconvenience, but refused to do anything else. • In a final attempt to resolve the situation, he sent an email to the company with evidence from (redacted) City Council to show that the property has been significantly altered and, therefore, according to the Scheme of Charges, the charging value might "no longer be relevant" and an assessed volume charge would be more appropriate. However, the company said that "it is irrelevant that the property went through substantial alteration". This makes no sense as the charges are based on the historical property size assessment and, therefore, he pays for a bigger premises than he occupies. This is unfair, especially as he is unable to have a meter fitted at the premises through no fault of his own. • He believes that his charges should always have been based on assessed usage and, according to his usage over the year he had a meter, he should be paying around 20% to 30% of the bill he currently pays. Therefore, he would like a refund of 70% to 80% of the charges paid for the entire period of his occupation and would like his future bills to be based on this calculation. • He also claims £1,800.00 in compensation for distress and inconvenience on the basis that he had ninety emails/contacts with the company and CCW about his complaint and this has taken considerable time and effort. He values each contact at £20.00 and explains that he sent fifteen emails to the company and received nearly as many replies from them, he sent thirty emails to CCW and received a similar number of emails back, and he also made telephone calls to CCW and had to attend site visits. • He believes CCW should pay compensation for the time lost dealing with this case when a single contact should have resulted in an appropriate reply and a satisfactory solution.

**The company's response is that:**

1. • The customer was advised in communications dated 17 January 2018, 12 March 2018, 13 March 2018 and 27 March 2018 that he would need to have any

necessary amendments to the pipework completed before the meter was fitted, but the customer continually requested a meter and the Wholesaler fitted one on 11 April 2018. When the Wholesaler's engineer visited the property to survey it for a meter, he found it possible to fit a meter, so a meter was fitted as per the customer's request. • It is surprised that the Wholesaler fitted a meter immediately, as a wholesaler would normally do a survey and report that pipe modifications were required before fitting the meter. • As stated in its Scheme of Charges and in OFWAT's guidelines, the pipework is the customer's responsibility so it should have been amended before the engineer's visit. The customer was contacted by the Wholesaler on 29 March 2018 to arrange the visit, so he was aware that pipe modifications would need to be completed by the visit date. • When the customer reported concerns about the water meter moving when the building was unoccupied, it advised him that this may be due to a leak or a shared supply, and it told the customer how to perform a self-leak test. On 3 August 2018, it advised the customer that if the supply was shared it would be a third-party dispute and it would not get involved, and this is also stated in its Scheme of Charges. • On 2 October 2018 and 20 November 2018, it advised the customer that it would not consider reducing the charges or putting the customer back on RV. This was because RV is only considered if there is no meter and, at the time, there was a meter at the property. • On 17 September 2019, it advised the customer that if there was a shared supply, he could install sub meters or amend the pipework. However, the customer's landlord refused to amend the pipework on the property so, as this was not the customer's fault, it asked the Wholesaler to remove the meter. The meter was removed and the account was returned to unmeasured charges, based on RV, with effect from 10 April 2018. • The customer was unhappy and asked to be put on assessed volume charges. However, the Wholesaler will only allow a customer onto assessed charges if a meter cannot be fitted in a property, which is not the case here; a meter can be, and was, fitted at the customer's property. It accepts that the meter did not serve the customer's purpose as it measured the water consumption of his property and that of the domestic flats; however, this does not change the fact that a meter can be fitted. Whilst it sympathises with the customer over the landlord's refusal to change the pipework or ask the other residents to contribute towards the customer's bill, the customer does not fit the criteria for assessed charges. • The customer disputed his RV, so it advised him to contact the Valuation Office Agency to see whether it was correct. The customer sent evidence from his local council to show that the property had been 'significantly altered' and it sent this information onto the Wholesaler on 14 January 2021. The Wholesaler advised that the property is on a rateable value of (redacted) for charging zone (redacted) and this is not something they can change, and that the property had not been 'significantly altered' in a way that would allow it to be put on assessed charges. • The Wholesaler explained that the rateable value is not subject to change because it is an 'outdated' method of charging and it cannot update an

historical assessment. The 'modern' version of charging customers is a measured supply with a water meter and this is why, if a meter cannot be fitted, customers are offered assessed volume charges. • It is sympathetic to the customer, but it is obliged to stick to its policies and processes and take a fair and consistent approach with all customers. Therefore, the matter cannot be resolved unless the landlord alters the pipework. • The customer complains that it did not reply to his initial requests for a water meter in March 2018. It has already apologised for this failing, however, it has now applied a £40.00 gesture of goodwill, but further responsibility is denied.

### How is a WATRS decision reached?

In reaching my decision, I have considered two key issues. These are:

- Whether the company failed to provide its services to the customer to the standard to be reasonably expected by the average person.
- Whether or not the customer has suffered any financial loss or other disadvantage as a result of a failing by the company.

In order for the customer's claim against the company to succeed, the evidence available to the adjudicator must show on a balance of probabilities that the company has failed to provide its services to the standard one would reasonably expect and that as a result of this failure the customer has suffered some loss or detriment. If no such failure or loss is shown, the company will not be liable.

I have carefully considered all of the evidence provided. If I have not referred to a particular document or matter specifically, this does not mean that I have not considered it in reaching my decision.

### How was this decision reached?

1. Having reviewed the evidence provided by the parties, I find that the company is the customer's retail provider and is responsible for billing, accounting and customer services. X Company 2 is the customer's wholesaler and, as such, is responsible for the maintenance and repair of the water and sewerage assets and, amongst other things, the installation of meters and the authorisation of assessed charges. Therefore, X Company 2, not the company, is responsible for assessing the customer's eligibility for a meter and assessed charges, and the company is responsible for applying any authorised charges to the customer's account.
2. In order to make a decision in this matter I must clearly distinguish between actions taken by the Wholesaler and the duty owed by the retailer (the company) to its customers. Since the water market in England opened up to retailers in April

2017, all non-household customers have been moved to a wholesale/retail split service. As a result, a non-household customer now only has a relationship with the retailer. In turn, an adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, as the party to the case, has responsibility, and not those things for which the wholesaler has responsibility. This includes, however, the effectiveness with which the retailer has operated as an intermediary between the wholesaler and the customer.

3. The customer wants the Wholesaler to authorise the company to apply assessed charges to his account from the date of his occupation. Therefore, the Wholesaler's decision not to allow assessed charges is central to this dispute. However, as explained above, because the Wholesaler is not a party in this case, I am unable to adjudicate on the conduct, or liability, of the Wholesaler. Whilst I fully appreciate that my decision will disappoint the customer, I am unable to make any determination regarding the Wholesaler's refusal to put the customer on assessed charges when a meter can be installed at his property. Therefore, while I appreciate that this is not the outcome the customer hoped for, the customer's claims for a refund of charges cannot succeed and I cannot direct the company to put the customer on assessed volume charges going forward.

4. For completeness, I add that the evidence demonstrates that the company engaged with the Wholesaler regarding this matter and accurately explained the customer's position to the Wholesaler. The evidence also shows that the company accurately explained the Wholesaler's position to the customer. In view of this, I am unable to conclude that the company has failed to effectively operate as an intermediary between the Wholesaler and the customer, or that the company has failed to provide its service to the standard reasonably expected by the average customer in this regard.

5. The customer requests compensation for distress and inconvenience from CCW. As above, I can only adjudicate on the dispute between the parties to this case (the company and the customer), and I have no authority to consider a claim for compensation against CCW.

6. The customer may have intended to claim against the company for distress and inconvenience but, as the Wholesaler was responsible for installing the meter, removing it, and refusing to authorise assessed charges or reduce the RV charges, I cannot find the company responsible for the time and effort the customer has spent on the complaint. The company does admit to some customer service failings, but the evidence shows that the customer has already been sufficiently compensated for these through goodwill payments. Therefore, the company is not responsible to pay the customer further for any distress and inconvenience caused and I make no direction to the company in this regard.

7. I have reviewed the comments made by the customer following my preliminary decision and, while I completely understand the frustrations expressed, I have no authority to make a direction to the Wholesaler and I cannot hold the company responsible for the Wholesaler's actions. I suggest that the customer seeks independent legal advice if he wishes to pursue his claim further.

### **Outcome**

1. The company does not need to take any further action.

### **What happens next?**

This adjudication decision is final and cannot be appealed or amended.

The customer must reply within 20 working days to accept or reject this final decision.

When you tell WATRS that you accept or reject the decision, the company will be notified of this. The case will then be closed.

If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision.

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**Kate Wilks**  
**Adjudicator**